

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERMANENT ADDITION OF EXTENDED MAIL
FORWARDING PRODUCT TO THE MARKET
DOMINANT PRODUCT LIST

Docket No. MC2022-40

**UNITED STATES POSTAL SERVICE REQUEST TO CONVERT
EXTENDED MAIL FORWARDING TO A PERMANENT OFFERING**
(February 14, 2022)

Pursuant to 39 U.S.C. § 3642 and 39 C.F.R. § 3045.18, the United States Postal Service hereby requests to convert the experimental product Extended Mail Forwarding into a permanent offering on the Mail Classification Schedule, effective July 10, 2022.

On June 8, 2020, the Postal Service filed a notice in Docket No. MT2020-2 announcing its intent to conduct a market test of an experimental product called Extended Mail Forwarding, and demonstrating that the market test would comply with applicable legal requirements. The Commission found that the market test met the requirements of 39 U.S.C. § 3641 and 39 C.F.R. part 3045 and authorized the market test to proceed in Order No. 5591 on July 20, 2020.

The Postal Service initially introduced its test of Extended Mail Forwarding in nine postal districts: Alabama, Dakotas, Dallas, Northern New Jersey, Northland, Ohio Valley, Sacramento, San Diego, and Santa Ana. Given the strong results in those districts, on October 1, 2020, the Postal Service expanded the geographic scope of the market test nationwide, following its notice to the Commission on September 18, 2020.

Now that the market test has proved successful, the Postal Service has determined to add Extended Mail Forwarding into the Mail Classification Schedule

under section 1515.1 (Market Dominant Products: Special Services: Address Management Services). As in the market test phase, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option of extending the forwarding beyond the 12 months forwarding period. To date, the market test has demonstrated Extended Mail Forwarding's efficient and simple operational implementation, indicating its ability to financially enhance the Postal Service's revenues and displaying the Postal Service's willingness to innovate around its core mail products. As described in the Postal Service's market test notice, Extended Mail Forwarding is a customer-focused service that ensures customers receive mailpieces for which they are the intended recipient after they change addresses. Individuals, families, and businesses exercise greater control over their mail forwarding expiration dates to better fit their needs, providing more time to communicate with their mailing contacts and update their information. In addition to providing a meaningful new revenue stream for the Postal Service, Extended Mail Forwarding has reduced Undeliverable as Addressed (UAA) handling costs, resulting in cost savings.

39 U.S.C. 3642 and the Commission's implementing rules at 39 C.F.R. Part 3045.18 set forth the conditions for adding a non-experimental product based on an experimental product to the product list. As explained below, Extended Mail Forwarding satisfies all of these conditions:

Compliance with 39 C.F.R. § 3045.18(b) Requirements

As required by subsections (b)(1)-(3) of section 3045.18, Extended Mail Forwarding will offer the same service as the current experimental product described as

Extended Mail Forwarding in Docket No. MT2020-2, with the same distinct costs and market characteristics, and is based on the data collected from the current market test.

Compliance with 39 C.F.R. § 3045.18(c) Requirements

Pursuant to subsection (c) of section 3045.18, the market test and docket number that the proposed non-experimental product or price category is based on is named Extended Mail Forwarding, and can be found in Docket No. MT2020-2. The relationship between the proposed non-experimental product and market test is one-to-one; this Request seeks to convert the experimental product at the heart of this market test to the permanent product list.

The Postal Service intends to add Extended Mail Forwarding to the Address Management Services product of the Special Services class in the Market Dominant section of the Mail Classification Schedule, with price points of \$19.95 for a 6-month extension, \$29.95 for a 12-month extension, and \$39.95 for an 18-month extension, as set forth in Attachment A to this Request.

As a general rule, new offerings do not have price cap implications, and this is true whether or not the offering was the subject of a market test. As a new offering, Extended Mail Forwarding lacks volume history and billing determinants that can be used to calculate a price cap effect, and the Commission does not consider market test data in calculating billing determinants. See, *e.g.* 39 C.F.R. 3045.15, limiting test revenue to \$10 million, and therefore limiting volumes; Docket No. MC2012-31, Adding EDDM-Retail etc., Order No. 1460 (increase from market test price to price charged when product added to Market Dominant list is not a rate change subject to 39 U.S.C. 3622(d)). Additionally, as a new optional feature, Extended Mail Forwarding does not

divert volume from an existing product such that billing determinants could be inferred. Order No. 1917 (concluding there is no change in rates pursuant to 39 C.F.R. §§ 3010.23(c) and (d) for an experimental product being converted to permanent product where there is no change in price, and there is no shift in volume between price categories).

Pursuant to subsection (c)(3) of section 3045.18, the Postal Service assumes that the market for Extended Mail Forwarding that has persisted over the course of the market test remains stable and will continue into the permanent product phase. The Commission's implementing rules require the Postal Service to calculate the total revenue received by the Postal Service from the market test for each fiscal year the market test has been in operation, and provide supporting documentation. At the close of FY 2020, Quarter 4, the Extended Mail Forwarding market test, then limited to nine postal districts, received \$655,352. At the close of FY 2021, Quarter 1, the Extended Mail Forwarding market test, then expanded to a nationwide scope, received \$7,958,925.30. At the close of FY 2022, Quarter 1, the most recent quarter for which data is available, the Extended Mail Forwarding market test generated a cumulative total of \$42,181,499.55 in revenue.

Pursuant to subsection (c)(4) of section 3045.18, the Postal Service has included all data collection reports filed over the course of the market test in Attachment B.

Pursuant to subsection (c)(5) of section 3045.18, the product-specific costs associated with the development of the market test total \$505,983.29 (a cumulative figure, which includes program management and IT-related costs). The costs have

been relatively stable from quarter to quarter. See Table 1 for a quantification of the costs involved in this figure.

Table 1

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 350 | \$1,526.00 |
| Total | | | \$505,080.77 |

In light of all of the above, the Postal Service submits that Extended Mail Forwarding meets the criteria for converting a market test to permanent status. A copy of the Governors' resolution authorizing this request is included in Attachment C, pursuant to 39 CFR 3040.131(b), and a Statement of Supporting Justification from a postal official attesting to the factual information contained herein is included in Attachment D. To align with other IT programming changes, the Postal Service would like to implement this new permanent offering on July 10, 2022. In order to meet the deadline for programming changes, the Postal Service requests the Commission issues its final order no later than May 16, 2022.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Nabeel Cheema
Chief Counsel, Pricing & Product Support

Sean C. Robinson

475 L'Enfant Plaza, SW
Washington, D.C. 20260-1137
(202) 268-8405
Sean.C.Robinson@usps.gov
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**ATTACHMENT A TO REQUEST
PROPOSED CHANGES TO THE MAIL CLASSIFICATION SCHEDULE**

PART A

MARKET DOMINANT PRODUCTS

1000 Market Dominant Product List

SPECIAL SERVICES*

Ancillary Services
International Ancillary Services
Address Management Services
Caller Service
Credit Card Authentication
International Reply Coupon Service
International Business Reply Mail Service
Money Orders
Post Office Box Service
Stamp Fulfillment Services

* * * * *

1500 Special Services

* * * * *

1515 Address Management Services

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1515.1 Description

Address Management Services ensure that address elements and address lists are correct and up-to-date. In addition to providing software or information about ZIP Code lists, addresses, or moves, the services also include certifying systems to ensure that the proper address information is used. Some services allow the purchaser or licensee to make unlimited copies or to make additional copies for a fee.

Address Sequencing

Address Sequencing service provides for the removal of incorrect addresses, notation of missing addresses, and addition of missing addresses.

AEC II (Address Element Correction II) Service

AEC II Service sends addresses with errors that cannot be resolved through other Address Management services to the field for resolution based on knowledge of delivery personnel. The mailer is provided

with the correct address or with information that the address is not a recognized deliverable address.

AIS (Address Information System) Viewer

The AIS Viewer is an interactive software that provides the ability to retrieve, view, and print accurate and current ZIP Code information for all 50 states on demand, eliminating hardcopy reports.

CRIS (Carrier Route Information System)

The CRIS service provides reference information needed to apply carrier route codes to addresses. Copying is allowed for an additional fee.

CASS (Coding Accuracy Support System) Certification

CASS evaluates and certifies the accuracy of address-matching software that applies ZIP + 4, DPV (Delivery Point Validation), LACS^{Link} (Locatable Address Conversion Service), CRIS (Carrier Route Information System), DSF² (Delivery Sequence File—2nd Generation), eLOT (enhanced Line of Travel), RDI (Residential Delivery Indicator) and Five-Digit ZIP. The Postal Service certifies software meeting its standards until the expiration of the applicable CASS cycle. Software must be re-certified for each CASS cycle. Ordinarily, a CASS testing cycle extends from August 1st through July 31st of the next year, and permits software use until the following July 31st.

Change-of-Address Customer Notification Letter Reprint

Change-of-Address Customer Notification Letter Reprint provides customers with a copy of the letter that is sent to the customer's new address following the filing of a Change-of-Address order with the Postal Service.

Change-of-Address Information for Election Boards and Registration Commissions

Change-of-Address Information for Election Boards and Registration Commissions service provides election boards and voter registration commissions with the current address of a resident addressee, if known to the Postal Service.

City State

The City State service is a comprehensive ZIP Code list associated with the appropriate city, county, and Post Office names. Copying is allowed for an additional fee.

CDS (Computerized Delivery Sequence)

CDS service provides and updates delivery sequence address information by carrier route for qualified mailers. The CDS No Stat service provides and updates nondelivery address information about new construction and rural route vacancies by carrier route for qualified mailers.

Correction of Address Lists

Correction of Address Lists service provides current information concerning name and address mailing lists or correct information concerning occupant mailing lists to certain owners of such lists. New names will not be added to a name and address mailing list, and street address numbers will not be added to or changed for an occupant mailing list.

Delivery Statistics

The Delivery Statistics service provides statistical information regarding delivery by carrier route and Post Office Box section. Copying is allowed for an additional fee.

DPV (Delivery Point Validation) System

The DPV System, in conjunction with CASS Certified address matching software, validates delivery points. Unlimited sub-licensing is allowed by software developers without further payment.

DSF² (Delivery Sequence File—2nd Generation) Service

The DSF² Service is used to check mailing address accuracy, identify address types, and obtain walk sequence numbers. The DSF² database is the most complete Postal Service address database available, containing every deliverable mailing address in the United States, and is used to: verify that address lists are correct and complete, identify business versus residential addresses, recognize commercial mail receiving agencies, provide walk sequence numbers and postal codes, identify seasonal addresses, detect addresses vacant for over 90 days, and categorize addresses by delivery type, e.g., curbside, door slot, box, etc. DSF² processing includes address standardization that may be used to apply for CASS (Coding Accuracy Support System) qualification.

eLOT (enhanced Line of Travel) Service

eLOT service gives mailers the ability to sort their mailings in approximate carrier-casing sequence. Copying is allowed for an additional fee.

Extended Mail Forwarding

Extended Mail Forwarding provides customers who submit a permanent change-of-address (COA) request with the option of extending the forwarding beyond the 12 months forwarding period.

Five-Digit ZIP

The Five-Digit ZIP service provides detailed street data for multi-coded cities (*i.e.*, cities that have more than one 5-Digit ZIP Code number), so that the proper ZIP Code number can be identified. Copying is allowed for an additional fee.

Labeling Lists

Labeling Lists contain destination ZIP Code numbers with the corresponding Postal Service facility destination information. Copying is allowed for an additional fee.

LACS^{Link} (Locatable Address Conversion Service)

LACS^{Link} service provides mailers an automated method of obtaining new addresses when rural style addresses are converted to streetstyle addresses. The three types of licenses are:

- Interface Developer which grants the right to develop an interface between address-matching software and the LACS^{Link} database service;
- Interface Distributor which grants the right to sub-license the interface and the LACS^{Link} database service to third parties; and
- End User which grants the right to obtain the LACS^{Link} database service directly from the Postal Service for use in updating mailing lists.

MAC (Manifest Analysis and Certification) Batch System Certification

The MAC Batch System Certification service evaluates and certifies that manifest/presort mailing products accurately list and calculate postage for presorted non-identical piece mailings consistent with DMM, IMM and Manifest Mailing System processing standards. Software is certified until the expiration of the applicable MAC Batch System cycle.

MAC (Manifest Analysis and Certification) Gold System Certification

The MAC Gold System evaluates and certifies that manifest mailing systems (software, weigh scales, and label printers) accurately list and calculate postage for non-identical piece mailings consistent with DMM, IMM and Manifest Mailing system itemized pricing standards. Software is certified until the expiration of the applicable MAC Gold System cycle.

MAC (Manifest Analysis and Certification) System Certification

The MAC System evaluates and certifies that manifest mailing software accurately lists and calculates postage for non-identical piece mailings consistent with DMM, IMM and Manifest Mailing System standards, until the expiration of the applicable MAC System cycle.

MASS (Multiline Accuracy Support System) Certification

MASS provides certification for multiline optical character readers, remote video encoding, local video encoding, and encoding stations (equipment). The MASS certification process is designed to evaluate the ability of the equipment to process address information using CASS (Coding Accuracy Support System) Certified™ software, and apply an accurate delivery point barcode to a mailpiece. The Postal Service separately certifies the equipment for a manufacturer and the user. Certified equipment can be used until the expiration of the applicable MASS cycle. Ordinarily, a MASS testing cycle extends from August 1st through July 31st of the next year, and permits use until the following July 31st. One-half the applicable fee is charged for recertification of a machine due to a move, transfer, or upgrade of the system.

NCOA^{Link} (National Change of Address) Service

The NCOA^{Link} service makes change-of-address information for moves available to mailers. The six types of licenses are:

- NCOA^{Link} Interface Developer which grants the right to develop a software interface between address-matching software and the NCOA^{Link} service database;
- NCOA^{Link} Interface Distributor which grants the right to unlimited sublicensing of software interfaces developed pursuant to an NCOA^{Link} Interface Developer License;
- NCOA^{Link} Full Service Provider (FSP) which grants the right to perform address list updating services for both the licensee and third party mailers using 48 months of change-of-address data. Postal Service database services such as DPV and LACS^{Link} are included;
- NCOA^{Link} Limited Service Provider (LSP) which grants the right to perform address list updating services for third party mailers, as well as for licensee's own mail using 18 months of change-of-address data;

- NCOA^{Link} End User Mailer (EUM) which grants a mailer the right to perform address list updating for its own mail using 18 months of change-of-address data; and
- NCOA^{Link} Mail Processing Equipment (MPE) which grants a mailer the right to perform address updating directly onto its mailpieces using 18 months of change-of-address data and a multiline optical character reader (MLOCR).

The Postal Service tests the systems under the Developer, FSP, LSP, and MPE licenses to ensure that they meet Postal Service performance requirements.

NCOA^{Link} (National Change of Address) Service—ANK^{Link} (Address Not Known) Service Option

ANK^{Link} provides an option for NCOA^{Link} Limited Service Provider and End User Mailer licensees to acquire an additional 30 months of change-of-address information. ANK^{Link} informs mailers that a customer has moved, along with the move effective date. It does not provide the new address.

Official National Zone Charts

The Official National Zone Charts identify the appropriate distance code assigned to each originating and destination pairing for every ZIP Code in the nation. Copying is allowed for an additional fee.

PAGE (Presort Accuracy, Grading, and Evaluation) System Certification

The PAGE System evaluates and certifies the accuracy of publication and print planning (PPP) software that calculates virtual copy weight and the percentage of advertising consistent with DMM Periodicals price computation standards, and certifies users of PPP software who demonstrate knowledge of the software for Periodicals mailings based on DMM standards and applicable Postal Service Customer Support Rulings. Software and users are certified until the expiration of the applicable PAGE cycle.

PAVE (Presort Accuracy, Validation, and Evaluation) System Certification

The PAVE System evaluates and certifies the accuracy of presort software that sorts mailing lists consistent with DMM mail preparation standards. Software is certified until the expiration of the applicable PAVE cycle.

RDI (Residential Delivery Indicator) Service

The RDI data service verifies whether a delivery type is classified as residential or business. Copying is allowed for an additional fee.

Z4CHANGE

The Z4CHANGE service provides the information necessary to facilitate frequent and cost-effective updating of very large computerized mailing lists for automation compatibility and improved deliverability. Copying is allowed for an additional fee.

Z4INFO

Z4INFO is an add-on utility to the ZIP + 4 service that can be integrated into address-matching software to improve address quality.

ZIP + 4 Service

The ZIP + 4 service is the base reference that can be used to assign the correct ZIP + 4 Code associated with a physical address. Copying is allowed for an additional fee.

ZIPMove

The ZIPMove data file assists address-matching software in providing up-to-date, accurate ZIP + 4 codes. Copying is allowed for an additional fee.

ZIP Code Sortation of Address Lists

ZIP Code Sortation of Address Lists service provides sortation of addresses to the finest possible ZIP Code level.

99 Percent Accurate Method

The 99 Percent Accurate Method provides testing of mailers' address lists to determine how up-to-date the lists are. Lists deemed to meet threshold requirements are considered to be Move Update compliant.

1515.2 Prices

| | (\$) |
|---|----------|
| Address Sequencing | |
| Per correction (removal of each undeliverable address, or addition of each missing or new address) | 0.52 |
| Insertion of blanks | 0.00 |
| AEC II Service | |
| 1-100 records resolved, minimum fee | 39.00 |
| Additional records resolved, per record | 0.39 |
| AIS (Address Information System) Viewer (per year, per site) | |
| City State Delivery Type Retrieval Annual Subscription | 95.00 |
| County Name Retrieval Annual Subscription | 95.00 |
| Delivery Statistic Retrieval Annual Subscription | 120.00 |
| ZIP + 4 Retrieval Annual Subscription | 95.00 |
| CRIS Route (per year) | |
| Per state (annual subscription) | 70.00* |
| All States (annual subscription) | 1,100* |
| CASS Certification | |
| Cycle Testing: (for next cycle) August-January | 200.00 |
| Cycle Testing: February, March | 500.00 |
| Cycle Testing: April | 600.00 |
| Cycle Testing: May | 700.00 |
| Cycle Testing: June | 800.00 |
| Cycle Testing: July | 900.00 |
| Cycle Testing: (for current cycle) After July 31 st | 1,000.00 |

| | (\$) |
|--|--------------|
| Change-of-Address Information for Election Boards and Registration Commissions | |
| Per change of address | 0.52 |
| Change-of-Address Customer Notification Letter Reprint | 60.00 |
| City State (per year) | |
| All States (annual subscription) | 450.00* |
| CDS (per address, per year) | 0.014 |
| Minimum (per year) | 70.00 |
| Correction of Address Lists | |
| Per submitted address | 0.52 |
| Minimum charge per list (30 items) | 15.60 |
| Delivery Statistics (per year) | |
| All States (annual subscription) | 465.00* |
| DMM Labeling Lists | 71.00* |
| DPV System (per year) ³ | 13,200.00 |
| DSF ² Service (per year) ⁴ | 132,000.00 |
| Each additional location per year | 66,000.00 |
| Each additional platform per location per year | 66,000.00 |
| eLOT Service (per year) | |
| Per state (annual subscription) | 70.00* |
| All States (annual subscription) | 1,100.00* |
| Extended Mail Forwarding | |
| 6-month extension | 19.95 |
| 12-month extension | 29.95 |
| 18-month extension | 39.95 |

| | (\$) |
|--|------------------------|
| Five-Digit ZIP (per year) | |
| All States (annual subscription) | 650.00* |
| LACSLink5 | |
| Interface Developer (first year) | 1,350.00 ⁶ |
| Interface Developer (each one-year extension) | 400.00 ⁶ |
| Interface Distributor (per year) | 1,550.00 ⁷ |
| Data Distributor (per year) | 400.00 |
| End User (per year) | 400.00 ⁸ |
| MASS Certification | |
| MASS Manufacturers (MLOCR) | |
| Cycle Testing: (for next cycle) November – June | 500.00 ⁹ |
| Cycle Testing: July | 1,000.00 ⁹ |
| Cycle Testing: (for current cycle) After July 31 st | 1,500.00 ¹⁰ |
| MASS End-Users (MLOCR) | |
| Cycle Testing: (for next cycle) March – June | 500.00 ⁹ |
| Cycle Testing: July | 1,000.00 ⁹ |
| Cycle Testing: (current cycle) After July 31 st | 1,500.00 ¹⁰ |
| MASS Manufacturers (Encoder) | |
| Cycle Testing: (for next cycle) November – June | 300.00 ⁹ |
| Cycle Testing: July | 750.00 ⁹ |
| Cycle Testing: (for current cycle) After July 31 st | 1,000.00 ¹⁰ |
| MASS End-Users (Encoder) | |
| Cycle Testing: (for next cycle) March – June | 300.00 ⁹ |
| Cycle Testing: July | 750.00 ⁹ |
| Cycle Testing: After July 31 st | 1,000.00 ¹⁰ |
| MASS IMb Quality Testing | 300.00 |

| | (\$) |
|---|------------|
| NCOA ^{Link} Service ¹¹ | |
| Initial Interface Developer (first year fee) | 7,350.00 |
| Interface Developer (per each one year extension) | 1,500.00 |
| Interface Distributor (per year) | 35,500.00 |
| Full Service Provider (per year) | 245,000.00 |
| Full Service Provider Each Additional Site (per year) | 121,000.00 |
| Limited Service Provider (per year) | 20,600.00 |
| Limited Service Provider (per each one year extension) | |
| One Site only | 20,600.00 |
| Each additional site | 10,300.00 |
| ANKLink Service Option (per year) | |
| First Site | 4,850.00 |
| Each Additional Site | 2,250.00 |
| End User/MPE (first year) | 10,300.00 |
| End User/MPE (each renewal year) | |
| One site (each site for MPE) | 10,300.00 |
| Each additional site (End User only) | 4,850.00 |
| ANK ^{Link} Service Option (per year) | 1,100.00 |
| NCOA ^{Link} Test, Audit (each) | 1,500.00 |
| Official National Zone Charts (per year) | |
| Matrix | 70.00* |
| RDI Service (per year) ¹ | 415.00* |
| Z4 Change (per year) | |
| All States | 3,950.00* |
| ZIP + 4 Service (per year) | |
| Per state (annual subscription) | 70.00* |
| All States (annual subscription) | 1,100.00* |
| ZIP Code Sortation of Address Lists | |
| Per 1,000 addresses, or fraction | 170.00 |
| ZIP Move (per year) | |
| All States (annual subscription) | 145.00* |
| 99 Percent Accurate Method (per 1,000 addresses per year) | 1.35 |
| Minimum (per year) | 135.00 |

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1800 Market Tests

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~~1803 Extended Mail Forwarding~~

~~Reference~~

~~Docket No. MT2020-2~~

~~PRC Order No. 5591, July 20, 2020~~

~~Expires~~

~~August 1, 2022~~

ATTACHMENT B TO REQUEST
MARKET TEST QUARTERLY DATA COLLECTION REPORTS

PRC REPORT FY20 Q4

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: August 1, 2020 through September 30, 2020

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| District | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|---------------------|-------------------------|--------------------------|--------------------------|------------------|
| Alabama | 768 | 288 | 116 | 1,172 |
| Dakotas | 578 | 255 | 90 | 923 |
| Dallas | 1,878 | 902 | 368 | 3,148 |
| Northern New Jersey | 2,191 | 1,267 | 656 | 4,114 |
| Northland | 1,330 | 671 | 257 | 2,258 |
| Ohio Valley | 1,163 | 557 | 227 | 1,947 |
| Sacramento | 1,792 | 849 | 356 | 2,997 |
| San Diego | 2,360 | 1,170 | 541 | 4,071 |
| Santa Ana | 2,335 | 1,222 | 643 | 4,200 |
| Total | 14,395 | 7,181 | 3,254 | 24,830 |

Source: Extended Mail Forwarding Weekly Push Report

2) Revenue

| District | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|---------------------|---------------------------------|----------------------------------|----------------------------------|---------------------|
| Alabama | \$15,321.60 | \$8,4625.60 | \$4,634.20 | \$28,581.40 |
| Dakotas | \$11,531.10 | \$7,637.25 | \$3,595.50 | \$22,763.85 |
| Dallas | \$37,466.10 | \$27,014.90 | \$14,701.60 | \$79,182.60 |
| Northern New Jersey | \$43,710.45 | \$37,946.65 | \$26,207.20 | \$107,864.30 |
| Northland | \$26,533.50 | \$20,096.45 | \$10,267.15 | \$56,897.10 |
| Ohio Valley | \$23,201.85 | \$16,682.15 | \$9,048.65 | \$48,932.65 |
| Sacramento | \$35,750.40 | \$25,427.55 | \$14,222.20 | \$75,400.15 |
| San Diego | \$47,082.00 | \$35,041.50 | \$21,592.95 | \$103,716.45 |
| Santa Ana | \$46,583.25 | \$36,598.90 | \$25,687.85 | \$108,870.00 |
| Total | \$287,180.25 | \$215,070.95 | \$129,957.30 | \$632,208.50 |

Source: Extended Mail Forwarding Weekly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| District | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|------------------------|-----------------------------------|--------------------------------|----------------------------------|--------------------|
| Alabama | 549 | 557 | 66 | 1,172 |
| Dakotas | 462 | 416 | 45 | 923 |
| Dallas | 1,555 | 1,321 | 272 | 3,148 |
| Northern New Jersey | 2,249 | 1,495 | 370 | 4,114 |
| Northland | 1,268 | 858 | 132 | 2,258 |
| Ohio Valley | 1,043 | 791 | 113 | 1,947 |
| Sacramento | 1,598 | 1,204 | 195 | 2,997 |
| San Diego | 2,218 | 1,517 | 336 | 4,071 |
| Santa Ana | 2,072 | 1,656 | 472 | 4,200 |
| Total | 13,014 | 9,815 | 2,001 | 24,830 |

| District | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|---------------------|-----------------------------------|--------------------------------|----------------------------------|
| Alabama | 47% | 47% | 6% |
| Dakotas | 50% | 45% | 5% |
| Dallas | 49% | 42% | 9% |
| Northern New Jersey | 55% | 36% | 9% |
| Northland | 56% | 38% | 6% |
| Ohio Valley | 53% | 41% | 6% |
| Sacramento | 53% | 40% | 7% |
| San Diego | 55% | 37% | 8% |
| Santa Ana | 49% | 40% | 11% |
| Total | 52% | 40% | 8% |

Source: Extended Mail Forwarding Weekly Push Report

4) Volume of mailpieces forwarded

| District | # of Mailpieces Forwarded |
|------------------------|------------------------------|
| Alabama | 0 |
| Dakotas | 6 |
| Dallas | 2 |
| Northern New Jersey | 15 |
| Northland | 4 |
| Ohio Valley | 7 |
| Sacramento | 16 |
| San Diego | 11 |
| Santa Ana | 8 |
| Total | 69 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) Attributable costs

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable Costs | | | |
| IT Maintenance - FY 2020 | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request) | \$4.16 | 20 requests | \$83.20 |
| Total | | | \$503,637.97 |

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by district (see table below).

| District | Individual Cost | # RSS requests | Total Cost |
|---------------------|-----------------|----------------|----------------|
| Alabama | \$4.16 | 1 | \$4.16 |
| Dakotas | \$4.16 | 2 | \$8.32 |
| Dallas | \$4.16 | 0 | \$0.00 |
| Northern New Jersey | \$4.16 | 4 | \$16.64 |
| Northland | \$4.16 | 1 | \$4.16 |
| Ohio Valley | \$4.16 | 5 | \$20.80 |
| Sacramento | \$4.16 | 2 | \$8.32 |
| San Diego | \$4.16 | 2 | \$8.32 |
| Santa Ana | \$4.16 | 3 | \$12.48 |
| Total | \$4.16 | 20 | \$83.20 |

Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY19 Window Cost Study

ROI = \$128,570.53

PRC REPORT FY21 Q1

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: October 1, 2020 through December 31, 2020 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| Area | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|----------------------------|-------------------------|--------------------------|--------------------------|------------------|
| Atlantic | 45,984 | 22,958 | 11,546 | 80,488 |
| Central | 25,304 | 11,656 | 5,239 | 42,199 |
| Southern | 50,552 | 22,008 | 9,891 | 82,451 |
| Western-Pacific | 63,510 | 29,975 | 15,059 | 108,544 |
| Other (Military ZIP Codes) | 7 | 4 | 1 | 12 |
| Total | 185,357 | 86,601 | 41,736 | 313,694 |

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

| Area | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|----------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------------|
| Atlantic | \$917,380.80 | \$687,592.10 | \$461,262.70 | \$2,066,235.60 |
| Central | \$504,814.80 | \$349,097.20 | \$209,298.05 | \$1,063,210.05 |
| Southern | \$1,008,512.40 | \$659,139.60 | \$395,145.45 | \$2,062,797.45 |
| Western-Pacific | \$1,267,024.50 | \$897,751.25 | \$601,607.05 | \$2,766,382.80 |
| Other (Military ZIP Codes) | \$139.65 | \$119.80 | \$39.95 | \$299.40 |
| Total | \$3,697,872.15 | \$2,593,699.95 | \$1,667,353.20 | \$7,958,925.30 |

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| Area | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|-----------------|
| Atlantic | 45,099 | 28,668 | 6,721 | 80,488 |
| Central | 21,736 | 17,001 | 3,462 | 42,199 |
| Southern | 41,031 | 34,840 | 6,580 | 82,451 |
| Western-Pacific | 59,359 | 39,875 | 9,310 | 108,544 |
| Other (Military ZIP Codes) | 8 | 4 | 0 | 12 |
| Total | 167,233 | 120,388 | 26,073 | 313,694 |

| Area | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|
| Atlantic | 56% | 36% | 8% |
| Central | 52% | 40% | 8% |
| Southern | 50% | 42% | 8% |
| Western-Pacific | 55% | 37% | 9% |
| Other (Military ZIP Codes) | 67% | 33% | 0% |
| Total | 53% | 38% | 8% |

Source: Extended Mail Forwarding Monthly Push Report

4) **Volume of mailpieces forwarded**

| Month | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|---------------|------------------|-------------------|-------------------|
| October | 497 | 924 | 2,697,152 | 14,233,135 |
| November | 948 | 1,682 | 2,563,322 | 14,746,310 |
| December | 2,596 | 4,319 | 2,218,468 | 10,638,762 |
| Total | 4,041 | 6,925 | 7,478,942 | 39,618,207 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) **Attributable costs**

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 308 | \$1,342.88 |
| Total | | | \$504,897.65 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

| Area | Individual Cost* | # RSS requests** | Total Cost |
|----------------------------|------------------|------------------|-------------------|
| Atlantic | \$4.36 | 81 | \$353.16 |
| Central | \$4.36 | 68 | \$296.48 |
| Southern | \$4.36 | 66 | \$287.76 |
| Western-Pacific | \$4.36 | 93 | \$405.48 |
| Other (Military ZIP Codes) | \$4.36 | 0 | \$0.00 |
| Total | | 308 | \$1,342.88 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

PRC REPORT FY21 Q2

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: January 1, 2021 through March 31, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| Area | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|----------------------------|-------------------------|--------------------------|--------------------------|------------------|
| Atlantic | 50,625 | 26,576 | 12,981 | 90,182 |
| Central | 27,467 | 13,253 | 6,069 | 46,789 |
| Southern | 65,304 | 28,761 | 12,388 | 106,453 |
| Western-Pacific | 73,975 | 35,990 | 17,097 | 127,062 |
| Other (Military ZIP Codes) | 7 | 4 | 2 | 13 |
| Total | 217,378 | 104,584 | 48,537 | 370,499 |

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

| Area | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|----------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------------|
| Atlantic | \$1,009,968.75 | \$795,951.20 | \$518,590.95 | \$2,324,510.90 |
| Central | \$547,966.65 | \$396,927.35 | \$242,456.55 | \$1,187,350.55 |
| Southern | \$1,302,814.80 | \$861,391.95 | \$494,900.60 | \$2,659,107.35 |
| Western-Pacific | \$1,475,801.25 | \$1,077,900.50 | \$683,025.15 | \$3,236,726.90 |
| Other (Military ZIP Codes) | \$139.65 | \$119.80 | \$79.90 | \$339.35 |
| Total | \$4,336,691.10 | \$3,132,290.80 | \$1,939,053.15 | \$9,408,035.05 |

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| Area | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|-----------------|
| Atlantic | 54,623 | 27,783 | 7,776 | 90,182 |
| Central | 26,720 | 16,410 | 3,659 | 46,789 |
| Southern | 58,256 | 40,371 | 7,826 | 106,453 |
| Western-Pacific | 73,939 | 42,522 | 10,601 | 127,062 |
| Other (Military ZIP Codes) | 3 | 10 | 0 | 13 |
| Total | 213,541 | 127,096 | 29,862 | 370,499 |

| Area | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|
| Atlantic | 61% | 31% | 9% |
| Central | 57% | 35% | 8% |
| Southern | 55% | 38% | 7% |
| Western-Pacific | 58% | 33% | 8% |
| Other (Military ZIP Codes) | 23% | 77% | 0% |
| Total | 58% | 34% | 8% |

Source: Extended Mail Forwarding Monthly Push Report

4) Volume of mailpieces forwarded

| Month | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|---------------|------------------|-------------------|-------------------|
| January | 5,570 | 9,590 | 2,275,795 | 10,917,109 |
| February | 8,085 | 15,090 | 2,198,576 | 9,675,613 |
| March | 12,278 | 22,140 | 2,398,024 | 13,210,318 |
| Total | 25,933 | 46,820 | 6,872,395 | 33,803,040 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) Attributable costs

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 308 | \$1,342.88 |
| Total | | | \$504,897.65 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

| Area | Individual Cost* | # RSS requests** | Total Cost |
|----------------------------|------------------|------------------|-------------------|
| Atlantic | \$4.36 | 81 | \$353.16 |
| Central | \$4.36 | 68 | \$296.48 |
| Southern | \$4.36 | 66 | \$287.76 |
| Western-Pacific | \$4.36 | 93 | \$405.48 |
| Other (Military ZIP Codes) | \$4.36 | 0 | \$0.00 |
| Total | | 308 | \$1,342.88 |

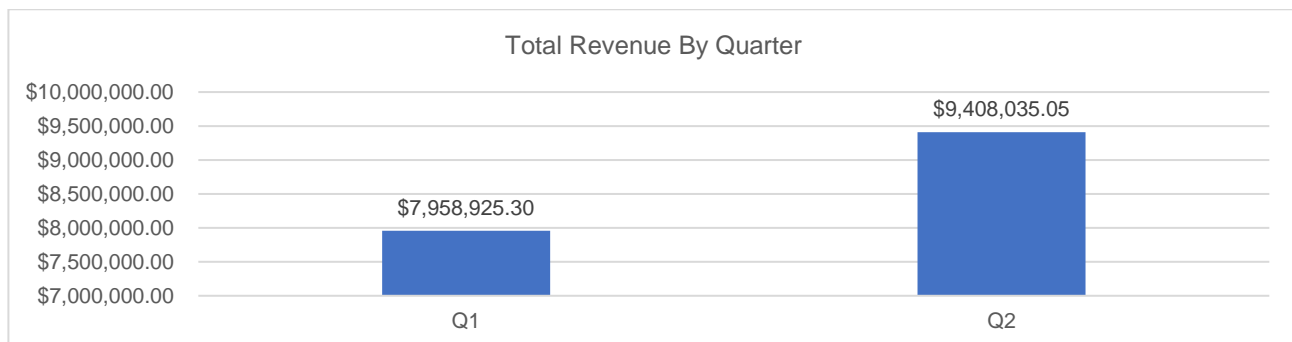
*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

6) Comparison by Quarter

| Quarter | Revenue | Extensions | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|------------------------|----------------|---------------|------------------|-------------------|-------------------|
| Q1 | \$7,958,925.30 | 313,694 | 4,041 | 6,925 | 7,478,942 | 39,618,207 |
| Q2 | \$9,408,035.05 | 370,499 | 25,933 | 46,820 | 6,872,395 | 33,803,040 |
| Total | \$17,366,960.35 | 684,193 | 29,974 | 53,745 | 14,351,337 | 73,421,247 |



PRC REPORT FY21 Q3

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: April 1, 2021 through June 30, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| Area | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|-----------------|-------------------------|--------------------------|--------------------------|------------------|
| Atlantic | 46,082 | 28,235 | 14,012 | 88,329 |
| Central | 27,060 | 15,339 | 6,845 | 49,244 |
| Southern | 51,431 | 26,943 | 11,992 | 90,366 |
| Western-Pacific | 60,865 | 35,260 | 17,543 | 113,668 |
| Overseas | 47 | 20 | 10 | 77 |
| Total | 185,485 | 105,797 | 50,402 | 341,684 |

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

| Area | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|-----------------|---------------------------------|----------------------------------|----------------------------------|-----------------------|
| Atlantic | \$919,335.90 | \$845,638.25 | \$559,779.40 | \$2,324,753.55 |
| Central | \$539,847.00 | \$459,403.05 | \$273,457.75 | \$1,272,707.80 |
| Southern | \$1,026,048.45 | \$806,942.85 | \$479,080.40 | \$2,312,071.70 |
| Western-Pacific | \$1,214,256.75 | \$1,056,037.00 | \$700,842.85 | \$2,971,136.60 |
| Overseas | \$937.65 | \$599.00 | \$399.50 | \$1,936.15 |
| Total | \$3,700,425.75 | \$3,168,620.15 | \$2,013,559.90 | \$8,882,605.80 |

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| Area | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|-----------------|--------------------------------|-----------------------------|-------------------------------|-----------------|
| Atlantic | 51,020 | 30,347 | 6,962 | 88,329 |
| Central | 26,669 | 18,993 | 3,582 | 49,244 |
| Southern | 46,005 | 37,747 | 6,614 | 90,366 |
| Western-Pacific | 62,805 | 41,526 | 9,337 | 113,668 |
| Overseas | 33 | 44 | 0 | 77 |
| Total | 186,532 | 128,657 | 26,495 | 341,684 |

| Area | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|-----------------|--------------------------------|-----------------------------|-------------------------------|
| Atlantic | 58% | 34% | 8% |
| Central | 54% | 39% | 7% |
| Southern | 51% | 42% | 7% |
| Western-Pacific | 55% | 37% | 8% |
| Overseas | 43% | 57% | 0% |
| Total | 55% | 38% | 8% |

Source: Extended Mail Forwarding Monthly Push Report

4) Volume of mailpieces forwarded

| Month | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|---------------|------------------|-------------------|-------------------|
| April | 15,525 | 25,256 | 2,303,384 | 10,851,473 |
| May | 26,711 | 44,494 | 3,152,854 | 15,262,342 |
| June | 25,917 | 41,985 | 2,859,463 | 15,585,024 |
| Total | 68,153 | 111,735 | 8,315,701 | 41,698,839 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

5) Attributable costs

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 308 | \$1,342.88 |
| Total | | | \$504,897.65 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

| Area | Individual Cost* | # RSS requests** | Total Cost |
|----------------------------|------------------|------------------|-------------------|
| Atlantic | \$4.36 | 81 | \$353.16 |
| Central | \$4.36 | 68 | \$296.48 |
| Southern | \$4.36 | 66 | \$287.76 |
| Western-Pacific | \$4.36 | 93 | \$405.48 |
| Other (Military ZIP Codes) | \$4.36 | 0 | \$0.00 |
| Total | | 308 | \$1,342.88 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

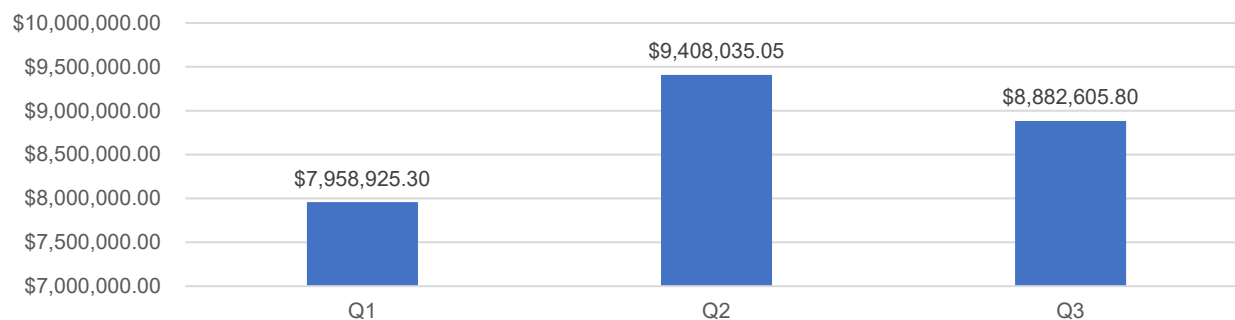
**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

6) Comparison by Quarter

| Quarter | Revenue | Extensions | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|------------------------|------------------|---------------|------------------|-------------------|--------------------|
| Q1 | \$7,958,925.30 | 313,694 | 4,041 | 6,925 | 7,478,942 | 39,618,207 |
| Q2 | \$9,408,035.05 | 370,499 | 25,933 | 46,820 | 6,872,395 | 33,803,040 |
| Q3 | \$8,882,605.80 | 341,684 | 68,153 | 111,735 | 8,315,701 | 41,698,839 |
| Total | \$26,249,566.15 | 1,025,877 | 98,127 | 165,480 | 22,667,038 | 115,120,086 |

Total Revenue By Quarter



PRC REPORT FY21 Q4

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: July 1, 2021 through September 30, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| Area | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|----------------------------|-------------------------|--------------------------|--------------------------|------------------|
| Atlantic | 48,362 | 29,144 | 14,062 | 91,568 |
| Central | 28,048 | 15,687 | 6,714 | 50,449 |
| Southern | 45,966 | 23,407 | 10,600 | 79,973 |
| Western-Pacific | 58,418 | 33,075 | 16,761 | 108,254 |
| Other (Military ZIP Codes) | 57 | 29 | 8 | 92 |
| Total | 180,851 | 101,342 | 48,143 | 330,336 |

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

| Area | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|----------------------------|---------------------------------|----------------------------------|----------------------------------|-----------------------|
| Atlantic | \$964,821.90 | \$872,862.80 | \$561,776.90 | \$2,399,461.60 |
| Central | \$559,557.60 | \$469,825.65 | \$268,224.30 | \$1,297,607.55 |
| Southern | \$917,021.70 | \$701,039.65 | \$423,470.00 | \$2,041,531.35 |
| Western-Pacific | \$1,165,439.10 | \$990,596.25 | \$669,601.95 | \$2,825,637.30 |
| Other (Military ZIP Codes) | \$1,137.15 | \$868.55 | \$239.70 | \$2,245.40 |
| Total | \$3,607,977.45 | \$3,035,192.90 | \$1,923,312.85 | \$8,566,483.20 |

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| Area | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|-----------------|
| Atlantic | 52,378 | 32,904 | 6,286 | 91,568 |
| Central | 26,967 | 20,118 | 3,364 | 50,449 |
| Southern | 41,183 | 33,223 | 5,567 | 79,973 |
| Western-Pacific | 60,050 | 40,029 | 8,175 | 108,254 |
| Other (Military ZIP Codes) | 37 | 55 | 0 | 92 |
| Total | 180,615 | 126,329 | 23,392 | 330,336 |

| Area | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|
| Atlantic | 57% | 36% | 7% |
| Central | 53% | 40% | 7% |
| Southern | 51% | 42% | 7% |
| Western-Pacific | 55% | 37% | 8% |
| Other (Military ZIP Codes) | 40% | 60% | 0% |
| Total | 55% | 38% | 7% |

Source: Extended Mail Forwarding Monthly Push Report

a. Volume of mailpieces forwarded

| Month | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|---------------|------------------|-------------------|-------------------|
| July | 28,577 | 46,401 | 2,784,024 | 14,097,732 |
| August | 30,840 | 50,232 | 2,973,110 | 15,666,962 |
| September | 33,398 | 53,718 | 2,802,481 | 13,748,297 |
| Total | 92,815 | 150,351 | 8,559,615 | 43,512,991 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

4) Attributable costs

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 350 | \$1,526.00 |
| Total | | | \$505,080.77 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

| Area | Individual Cost* | # RSS requests** | Total Cost |
|----------------------------|------------------|------------------|-------------------|
| Atlantic | \$4.36 | 96 | \$418.56 |
| Central | \$4.36 | 97 | \$422.92 |
| Southern | \$4.36 | 67 | \$292.12 |
| Western-Pacific | \$4.36 | 90 | \$392.40 |
| Other (Military ZIP Codes) | \$4.36 | 0 | \$0.00 |
| Total | | 350 | \$1,526.00 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

5) Comparison by Quarter

| Quarter | Revenue | Extensions | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|------------------------|------------------|----------------|------------------|-------------------|--------------------|
| Q1 | \$7,958,925.30 | 313,694 | 4,041 | 6,925 | 7,478,942 | 39,618,207 |
| Q2 | \$9,408,035.05 | 370,499 | 25,933 | 46,820 | 6,872,395 | 33,803,040 |
| Q3 | \$8,882,605.80 | 341,684 | 68,153 | 111,735 | 8,315,701 | 41,698,839 |
| Q4 | \$8,566,483.20 | 330,336 | 92,815 | 150,351 | 8,559,615 | 43,512,991 |
| Total | \$34,816,049.35 | 1,356,213 | 190,942 | 315,831 | 31,226,653 | 158,633,077 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

PRC REPORT FY22 Q1

PROGRAM: Extended Mail Forwarding Marketing Test

LAUNCH DATE FOR MARKET TEST: August 1, 2020 (only includes data for 9 districts)

TIME PERIOD OF EVALUATION: October 1, 2020 through December 31, 2021 (includes nationwide data by Area)

DESCRIPTION: For a fee, Extended Mail Forwarding will provide customers who submit a permanent change-of-address (COA) request with the option to extend their mail forwarding in six-month increments (up to three six-month extensions) of all First-Class Mail, First-Class Package Service Commercial, and Priority Mail mailpieces beyond the initial 1 year forwarding period.

METRICS:

1) Number of Extensions

| Area | # of 6 Month Extensions | # of 12 Month Extensions | # of 18 Month Extensions | Total Extensions |
|----------------------------|-------------------------|--------------------------|--------------------------|------------------|
| Atlantic | 37,452 | 21,317 | 10,693 | 69,462 |
| Central | 21,878 | 11,380 | 5,332 | 38,590 |
| Southern | 37,658 | 18,802 | 8,639 | 65,099 |
| Western-Pacific | 47,653 | 25,953 | 13,542 | 87,148 |
| Other (Military ZIP Codes) | 45 | 14 | 8 | 67 |
| Total | 144,686 | 77,466 | 38,214 | 260,366 |

Source: Extended Mail Forwarding Monthly Push Report

2) Revenue

| Area | Revenue from 6 Month Extensions | Revenue from 12 Month Extensions | Revenue from 18 Month Extensions | Total Revenue |
|----------------------------|---------------------------------|----------------------------------|----------------------------------|----------------|
| Atlantic | \$747,167.40 | \$638,444.15 | \$427,185.35 | \$1,812,796.90 |
| Central | \$436,466.10 | \$340,831.00 | \$213,013.40 | \$990,310.50 |
| Southern | \$751,277.10 | \$563,119.90 | \$345,128.05 | \$1,659,525.05 |
| Western-Pacific | \$950,677.35 | \$777,292.35 | \$541,002.90 | \$2,268,972.60 |
| Other (Military ZIP Codes) | \$897.75 | \$419.30 | \$319.60 | \$1,636.65 |
| Total | \$2,886,485.70 | \$2,320,106.70 | \$1,526,649.30 | \$6,733,241.70 |

Source: Extended Mail Forwarding Monthly Push Report

3) Number of customers and ratio of individuals, families, and businesses

| Area | # of Extensions by Individuals | # of Extensions by Families | # of Extensions by Businesses | Total Customers |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|-----------------|
| Atlantic | 39,342 | 24,443 | 5,677 | 69,462 |
| Central | 20,590 | 15,075 | 2,925 | 38,590 |
| Southern | 33,783 | 26,389 | 4,927 | 65,099 |
| Western-Pacific | 48,753 | 31,717 | 6,678 | 87,148 |
| Other (Military ZIP Codes) | 33 | 34 | 0 | 67 |
| Total | 142,501 | 97,658 | 20,207 | 260,366 |

| Area | % of Extensions by Individuals | % of Extensions by Families | % of Extensions by Businesses |
|----------------------------|--------------------------------|-----------------------------|-------------------------------|
| Atlantic | 57% | 35% | 8% |
| Central | 53% | 39% | 8% |
| Southern | 52% | 41% | 8% |
| Western-Pacific | 56% | 36% | 8% |
| Other (Military ZIP Codes) | 49% | 51% | 0% |
| Total | 55% | 38% | 8% |

Source: Extended Mail Forwarding Monthly Push Report

a. Volume of mailpieces forwarded

| Month | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|----------------|------------------|-------------------|-------------------|
| October | 53,182 | 85,063 | 3,052,129 | 15,137,467 |
| November | 58,684 | 92,420 | 2,904,943 | 13,452,607 |
| December | 73,445 | 115,426 | 2,774,662 | 13,758,145 |
| Total | 185,311 | 292,909 | 8,731,734 | 42,348,219 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

4) Attributable costs

| Description | Individual Cost | Number of Items | Total Cost |
|---|-----------------|-----------------|---------------------|
| Development Costs | | | |
| Server Purchase | N/A | 20 servers | \$281,167.60 |
| RSS Development and Testing | N/A | N/A | \$32,393.48 |
| COA and MGO Development and Testing | N/A | N/A | \$157,545.69 |
| Attributable | | | |
| IT Maintenance - FY 2020* | \$1,622.40 | 20 servers | \$32,448.00 |
| RSS - Clerk Transaction (~2.88 min per request)** | \$4.36 | 557 | \$2,428.52 |
| Total | | | \$505,983.29 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations,

**FY20 Window Cost Study

The attributable costs for Extended Mail Forwarding include both fixed and variable costs. The IT Maintenance costs are associated with maintenance of 20 dedicated servers, which is a fixed cost associated with offering the service, regardless of the quantity or location of the requests. Therefore, the IT Maintenance costs are not reported by district. The RSS – Clerk Transaction costs are variable, based on the number of Extended Mail Forwarding requests that are processed at a retail window and can be broken down by Area (see table below).

| Area | Individual Cost* | # RSS requests** | Total Cost |
|----------------------------|------------------|------------------|--------------------|
| Atlantic | \$4.36 | 192 | \$ 837.12 |
| Central | \$4.36 | 118 | \$ 514.48 |
| Southern | \$4.36 | 83 | \$ 361.88 |
| Western-Pacific | \$4.36 | 164 | \$ 715.04 |
| Other (Military ZIP Codes) | \$4.36 | 0 | \$ - |
| Total | | 557 | \$ 2,428.52 |

*Source: Engineering – Delivery & Retail Systems, National Change of Address (NCOA), Computer Operations, FY20 Window Cost Study

**Source: Extended Mail Forwarding Monthly Push Report

Note: All Extended Mail Forwarding request for Military ZIP Codes were submitted via usps.com

5) Comparison by Quarter

| Quarter | Revenue | Extensions | EMF Customers | Forwarded Pieces | Customers Not EMF | RTS/Wasted Pieces |
|--------------|-----------------------|----------------|----------------|------------------|-------------------|-------------------|
| Q1 | \$6,733,241.70 | 260,366 | 185,311 | 292,909 | 8,731,734 | 42,348,219 |
| Total | \$6,733,241.70 | 260,366 | 185,311 | 292,909 | 8,731,734 | 42,348,219 |

Source: Extended Mail Forwarding Forwarded Volume Monthly Push Report

**ATTACHMENT C TO REQUEST
RESOLUTION OF THE GOVERNORS
OF THE UNITED STATES POSTAL SERVICE**

**RESOLUTION OF THE GOVERNORS
OF THE
UNITED STATES POSTAL SERVICE**

Resolution No. 22-1

**Conversion of Extended Mail Forwarding Market Test
Into a Permanent Offering Listed on the Mail Classification Schedule**

RESOLVED:

Pursuant to section 3642 of Title 39, United States Code, the Postal Service is hereby directed to file a request with the Postal Regulatory Commission to convert the Extended Mail Forwarding market test into a permanent market-dominant offering listed on the Mail Classification Schedule, at a price of \$19.95 for a 6-month extension, \$29.95 for a 12-month extension, and \$39.95 for an 18-month extension.

Postal management is also instructed to provide the required public notice and to file with the Postal Regulatory Commission the mail classification changes, and other supporting documents, in accordance with Part 3040 and 3045 of Title 39, Code of Federal Regulations.

The foregoing Resolution was adopted by the Governors on February 7, 2022.



Michael J. Elston
Secretary of the Board of Governors

**ATTACHMENT D TO REQUEST
STATEMENT OF SUPPORTING JUSTIFICATION**

CERTIFICATION

I, Paul A. Bernicchi, am the Manager, Innovative Technology Implementation, United States Postal Service.

I have read and am familiar with the request of the United States Postal Service to convert the experimental product Extended Mail Forwarding into a permanent offering in the Mail Classification Schedule, Docket No. MC2022-20, and I attest to the accuracy of the factual information contained therein. I believe that the request is consistent with all applicable requirements and applicable criteria of chapter 36 of title 39 of the United States Code.

Dated February 14, 2022

By: **Paul A. Bernicchi**  Digitally signed by Paul A. Bernicchi
Date: 2022.02.14 12:28:41 -05'00'

Paul A. Bernicchi